

# COMMUNICATIONS ADVISORY COUNSEL LLC

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February 1, 2007

***Via electronic filing***

Marlene Dortch, Secretary  
Federal Communications Commission  
445 Twelfth Street, SW  
Washington, DC 20554

Re: South Canaan Cellular Communications Company, LP  
CC Docket No. 94-102  
Report due February 1, 2007

Dear Madam Secretary:

Pursuant to the Commission's *Order*,<sup>1</sup> South Canaan Cellular Communications Company, LP ("South Canaan") hereby submits the attached report regarding its progress in meeting the 95% ALI-compliant handset penetration requirement.

Please contact the undersigned if you have any questions regarding this report.

Respectfully submitted,



Sylvia Lesse  
Counsel for South Canaan  
Cellular Communications Company, LP

cc: \*Michael J. Wilhelm  
\* Jeff Cohen  
Mr. Bernie Swartwood, Pike County Communications  
Mr. Marty Hedgelon, Wayne County E911 Coordinator

\*via electronic mail

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<sup>1</sup> *In the Matter of Revision of the Commission's Rules to Ensure Compatibility with Enhanced 911 Emergency Calling Systems*, CC Docket No. 94-102, FCC 06-25 (rel. Mar. 8, 2006) ("Order").

**REPORT OF SOUTH CANAAN  
CELLULAR COMMUNICATIONS COMPANY, L.P.**

Due February 1, 2007

Pursuant to the Commission's *Order*,<sup>1</sup> South Canaan Cellular Communications Company, L.P. ("South Canaan") following report on its progress in achieving the goal of 95% penetration of ALI-capable handsets among its subscribers.

**(1) Number and status of Phase II requests received from PSAPs (including those the carrier may consider invalid):**

South Canaan received a valid Phase II request from Pike County and provides Phase II service to this county. South Canaan initiated the provision of Phase II services to its Pike County service area on February 28, 2005. Phase I service was initiated in Wayne County on April 26, 2006; the Company has not received a Phase II request from Wayne County.

South Canaan received a Phase II request from the Monroe County PSAP, which, although not physically within its service territory, receives E911 information from three sites within South Canaan's service territory in Pike County. South Canaan initiated the provision of Phase II services to this PSAP on March 26, 2006.

**(2) The dates on which Phase II service has been implemented or will be available to PSAPs served by its network:**

South Canaan initiated the provision of Phase II services to Pike County on February 28, 2005 and to Monroe County on March 26, 2006. South Canaan Cellular is transmitting Phase II data to the Wayne County PSAP today, although the Wayne County PSAP, not yet Phase II compliant, does not process this information.

**(3) The status of its coordination efforts with PSAPs for alternative 95% handset penetration dates**

South Canaan continues to coordinate regularly with the PSAPs for both Pike and Wayne Counties. Both administrators have been informed that an extension of the 95% handset penetration date has been granted by the Commission, and that a request for further extension was filed on December 15, 2006. Open channels of communications exist to ensure that any new or developing concerns are addressed.

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<sup>1</sup> *In the Matter of Revision of the Commission's Rules to Ensure Compatibility with Enhanced 911 Emergency Calling Systems*, CC Docket No. 94-102, FCC 06-25 (rel. Mar. 8, 2006) ("*Order*").

**(4) Efforts to encourage customers to upgrade to location-capable handsets:**

South Canaan continues its program of regularly reminding customers of the benefits associated with upgrading handsets through billing inserts and print advertising, emphasizing that location information will not be available to emergency service providers unless the customers transition to CDMA ALI-capable phones. The company also continues its aggressive upgrade/trade-in program which offers two models of compliant handsets to postpaid customers without any cost to the subscriber, as well as other popular handset models at heavily discounted prices (averaging a 35% discount for 1-year agreements and a 74% discount for 2-year agreements).

The Company also continues to run two significant promotions to attract new business and encourage handset upgrades. First, South Canaan has a “Test Drive” campaign which would allow analog handset users to try ALI-capable digital handsets with no phone or local wireless service cost for 30 days. At the end of the promotion period, the trial phone must be returned or the customer will incur regular cellular service expenses per the trial service application agreement. Secondly, the Company offered a prepaid promotion where a free ALI-capable handset is provided with the purchase of a \$100 value pre-paid airtime card and payment of a \$20 activation fee.

South Canaan’s sales force placed outbound sales calls to its analog subscribers late in 2006 and throughout January 2007, offering numerous attractive upgrades to ALI-capable handsets, including a free upgrade to the desirable Motorola W315 with a 2-year contract renewal. This telemarketing campaign was followed by a letter campaign to the analog subscribers. Only 6% of analog subscribers responded to this focused and aggressive upgrade campaign with two direct communications, advertising publicity and between six and eight ALI-capable handsets offered at promotional rates. For every analog subscriber who responded favorably to this campaign, three (3) analog subscribers simply discontinued service within the same time frame. As noted previously, attrition may be the most productive mechanism for reaching the ALI-capable handset penetration benchmark.

For analog subscribers who require 3 watts of power, such as rural school bus operators and rural contractors, the expense of acquiring ALI-capable handsets with wattage amplifiers is several hundred dollars per handset, which is a barrier to conversion for them. Although South Canaan has increased its service area coverage with additional cell sites, the rural market, which is wooded and mountainous, still has some areas where an amplified handset is needed.

**(5) Percentage of customers with location-capable phones:**

Currently, approximately 89% of South Canaan direct customers utilize compliant phones.<sup>2</sup> As reported in its November 1, 2006 status update and its December 15, 2006 request for an extension of time within which to achieve the 95% penetration benchmark,

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<sup>2</sup> Approximately 50% of the system's users are TracFone resale customers.

the holiday retail season, while successful in gaining new subscribers, unfortunately did not yield the analog handset upgrades required to meet the goal of 95% penetration.

**(6) Status in achieving compliance and whether it is on schedule to meet the revised deadline**

In its initial report under the *Order's* requirements, South Canaan adopted the following interim penetration goals:

May, 2006	78%
July, 2006	80%
October, 2006	83%
December, 2006	95%

South Canaan exceeded its October, 2006 goal, reporting on November 1, 2006 that it had reached an approximately 85% penetration rate, that, and 45 days later, on the occasion of its December 15, 2006 request for an extension of time to meet the benchmark, had increased its penetration to 86%. In its latest petition, South Canaan requested a nine-month extension, until September 30, 2007, within which to meet the penetration benchmark. Anticipating, on the average, a one-percent per month increase in subscriber penetration, South Canaan adopts the following revised schedule:

February 1, 2007	87%
May 1, 2007	90%
August 1, 2007	93%
September 30, 2007	95%

### DECLARATION OF CAROLYN COPP

I, Carolyn Copp, President of SCCI, LLC, the General Partner of South Canaan Cellular Communications Company, L.P., do hereby declare under penalty of perjury that I have read the foregoing "Report of South Canaan Cellular Communications Company, L.P., Due February 1, 2007" and that the facts stated therein are true and correct, to the best of my knowledge, information and belief.

1 Feb 2007  
Date

Carolyn Copp  
Carolyn Copp